

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 8

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Ref: 8ENF-L

GENERAL NOTICE LETTER CERTIFIED MAIL: RETURN RECEIPT REQUESTED

Sunnyside Gold Corporation Attn: Greg V. Etter Vice President 5075 S. Syracuse Street, Suite 800 Denver, Colorado 80237

Re: General Notice Letter for the Bonita Peak Mining District Site in San Juan County, Colorado

Dear Mr. Etter:

The U.S. Environmental Protection Agency has received and reviewed your corporation's May 15, 2013 response to the EPA's January 16, 2013 Information Request, which was sent to Sunnyside Gold Corporation in connection with the Upper Cement Creek area located in San Juan County, Colorado. Based on your response and other available information, the EPA has determined that you may be responsible under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), commonly known as the federal "Superfund" law, for cleanup of the Bonita Peak Mining District (the Site) or costs the the EPA has incurred in cleaning up the Site.

Explanation of Potential Liability

Under CERCLA, specifically sections 106(a) and 107(a), potentially responsible parties (PRPs) may be required to perform cleanup actions to protect the public health, welfare, or the environment. PRPs may also be responsible for costs incurred by EPA in cleaning up the Site, unless the PRP can show divisibility or any of the other statutory defenses. PRPs include current and former owners and operators of a Site, as well as persons who arranged for treatment and/or disposal of any hazardous substances found at the Site, and persons who accepted hazardous substances for transport and selected the Site to which the hazardous substances were delivered.

Based on the information collected, the EPA believes that Sunnyside Gold Corporation may be liable under section 107(a) of CERCLA, with respect to the Site, as a current or previous owner and/or operator of the Site.

To date, the EPA has taken several response actions at the Site under the authority of the Superfund Program. Those actions have entailed sampling, investigations and studies that could be classified as preliminary assessment, site investigation or remedial investigation work. These actions have been conducted in order to gain a basic understanding of any risks posed to human health and/or the environment by releases or threatened releases from the Site. In addition, the EPA has conducted removal actions at the Red and Bonita Mine to install a flow-through bulkhead and at the Gold King Mine to respond to the accidental release of mine water and to respond to the continued discharge of mine water from the Gold King Mine.

Information to Assist You

The EPA would like to encourage communication between you, other PRPs, and the EPA at the Site. To assist you in your efforts to communicate, the EPA previously provided you a redacted copy of a draft PRP search report for the Upper Cement Creek area of the Site. This report provides information on parties that may be PRPs at the Site. In addition, the EPA also completed an additional draft PRP search report for the Mayflower Mill area of the Site. A redacted copy of that report is available on request.

The EPA is also sending General Notice letters to Washington Mining Company and Mueller Industries, Inc. at the following addresses:

Washington Mining Company Attention: Linda L. Rockwood, Esq. Faegre Baker Daniels LLP 3200 Wells Fargo Center 1700 Lincoln Street Denver, Colorado 80202

Mueller Industries, Inc. c/o Gary C. Wilkerson, General Counsel 8285 Tournament Drive, Suite 150 Memphis, Tennessee 38125

The EPA has established an Administrative Record that contains documents that serve or will serve as the basis for EPA's selection of a cleanup action for the Site. The Administrative Record is located in Silverton and is available to you and the public for inspection and comment. The Administrative Record is also available for inspection and comment at the EPA Region 8 offices at 1595 Wynkoop Street, Denver, Colorado 80202.

Please give these matters your immediate attention and consider consulting with an attorney. If you have any questions regarding this letter, please contact Richard Sisk, EPA Enforcement Attorney, at (303) 312-6638, Doug Naftz, EPA Enforcement Attorney, at (303) 312-6942, or Mike Rudy, Enforcement Specialist, at (303) 312-6332. Thank you for your prompt attention to this matter.

Kimberly 3. Opekar

Acting Assistant Regional Administrator Office of Enforcement, Compliance and Environmental Justice